

YUFA Trust Fund

Financial Statements

April 30, 2020

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November 12, 2020

Independent Auditor's Report

To the Trustee of YUFA Trust Fund

Opinion

We have audited the accompanying financial statements of YUFA Trust Fund, which comprise the balance sheet as at April 30, 2020 and the statements of receipts and disbursements and net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of YUFA Trust Fund as at April 30, 2020, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of YUFA Trust Fund in accordance with the ethical requirements that are relevant to our audit of financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing YUFA Trust Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate YUFA Trust Fund or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing YUFA Trust Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Roger Chaplin CPA, CA LPA MA [Oxon] Gail Bergman CPA, CA LPA B Comm

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As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of YUFA Trust Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on YUFA Trust Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause YUFA Trust Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Accountants
Licensed Public Accountants
Toronto, Ontario

YUFA Trust Fund

Balance Sheet

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	Notes	April 30	
		2020	2019
Assets			
Cash		\$ 320,296	\$ 298,035
Accounts receivable		24,520	19,341
Loan receivable	2	60,000	35,000
Investments	3	565,650	584,912
		<u>\$ 970,466</u>	<u>\$ 937,288</u>
Liabilities			
Accounts payable and accrued liabilities		\$ 18,926	\$ 8,927
Due to Y.U.F.A. Foundation		4,000	-
		<u>22,926</u>	<u>8,927</u>
Net Assets		<u>947,540</u>	<u>928,361</u>
		<u>\$ 970,466</u>	<u>\$ 937,288</u>

See accompanying notes

Approved on behalf of the Trustess of
YUFA Trust Fund:

Paul Evans, Chair

Hongmei Zhu, Treasurer

YUFA Trust Fund

Statement of Receipts and Disbursements and Net Assets

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	Note	Year ended April 30	
		2020	2019
Receipts			
Employment insurance premium rebates received		\$ 136,476	\$ 128,037
Investment income (page 5)		22,823	20,209
		<u>159,299</u>	<u>148,246</u>
Disbursements			
Administration		5,120	1,455
Debt forgiveness	2	25,000	-
Disbursements on behalf of members	4	110,000	135,000
		<u>140,120</u>	<u>136,455</u>
Excess of receipts over expenses for the year		19,179	11,791
Net assets, beginning of year		928,361	916,570
Net assets, end of year		<u>\$ 947,540</u>	<u>\$ 928,361</u>

See accompanying notes

YUFA Trust Fund

Statement of Investment Income

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	Year ended April 30	
	2020	2019
Revenue		
Investment income	\$ 15,786	\$ 12,926
Gain on disposal of investments	13,750	-
Unrealized gain (loss) on investments	(6,713)	7,283
	<u>\$ 22,823</u>	<u>\$ 20,209</u>

See accompanying notes

YUFA Trust Fund

Statement of Cash Flows

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	Year ended April 30	
	2020	2019
Net cash provided by (used in)		
Operations		
Excess of receipts over expenses for the year	\$ 19,179	\$ 11,791
Unrealized loss (gain) on investments	6,713	(7,283)
Changes in non-cash working capital items:		
Accounts receivable	(5,179)	2,959
Loan receivable	(25,000)	70,000
Accounts payable and accrued liabilities	9,999	(19,361)
Due to Y.U.F.A. Foundation	4,000	4,000
	<u>9,712</u>	<u>62,106</u>
Investing		
Proceeds on sale of investments	412,549	439,745
Purchase of investments	(400,000)	(352,834)
	<u>12,549</u>	<u>86,911</u>
Net increase in cash during the year	22,261	149,017
Cash, beginning of year	298,035	149,018
Cash, end of year	<u>\$ 320,296</u>	<u>\$ 298,035</u>

See accompanying notes

The Trust was created on March 16, 1982 as a result of an agreement between York University Faculty Association and the Trustees, to provide benefits of any kind to or for the faculty members of York University.

The Trust's original equity, in the amount of \$87,651, came from the reductions in employment insurance premiums collected from the faculty members during the period May 1, 1978 to March 16, 1982, with interest thereon, as a consequence of an amendment to the collective agreement between York University Faculty Association and York University. Since the beginning of the Trust, employment insurance premium rebates have been received in the amount of \$2,303,678.

The trustees have determined, acting on the advice of counsel, that the Trust is a "labour organization" within the meaning of section 149(1)(k) of the Income Tax Act and is exempt from income taxes.

1. Summary of accounting policies

Basis of presentation

The financial statements have been prepared using the Canadian Accounting Standards for not-for-profit organizations.

Revenue recognition

The Trust receives the York University Faculty Association's share of the employment insurance rebate and records it as a capital contribution in the month of receipt. Interest is recorded as earned.

Investments

Investments consist of funds invested in guaranteed investment certificates and other equities which are capable of prompt liquidation. These investments are recorded at market value. Investment income which consists of interest, dividends and realized and unrealized gains is recorded in the statements of revenue and expenses as earned.

Impairment of long-lived assets

The Trust tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When an impairment loss indicates the carrying amount is not recoverable, an impairment loss is recognized to the extent carrying value exceeds fair value.

Measurement of financial instruments

The Trust initially measures its financial assets and liabilities at fair value. The Trust subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities. The Trust has not designated any financial asset or financial liability to be measured at fair value except for investments.

Financial assets measured at cost or amortized costs are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indication of impairment the Trust determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset, and recognizes an impairment loss if the carrying value of the asset is greater than the higher of present value of the expected future cash flows, the amount that can be realized by selling the asset or the amount the Trust expects to realize by exercising its right to any collateral.

If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement not exceeding the initial carrying value.

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1. Summary of accounting policies (continued)

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organization requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenue and expenses during the reporting period. Such estimates include accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Loans receivable

Loans receivable consist of the following:

	2020	2019
YUFA, non-interest bearing, due May 1, 2019	\$ 35,000	\$ 35,000
Et al. - Bistro, non-interest bearing, due February 2025	25,000	-
	<u>\$ 60,000</u>	<u>\$ 62,106</u>

The loan to YUFA was to be repaid in three annual payments of \$35,000 each, starting May 1, 2017. The remaining loan payment due May 1, 2019, was delayed and repaid on August 17, 2020.

The loan to Et al. has no specified terms of repayment

Loans receivable provided for a debt forgiveness of \$25,000 to Et al. - Bistro.

3. Investments

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Guaranteed investment certificates	\$ 347,840	\$ 347,840	\$ 252,764	\$ 252,764
Preferred shares	214,869	217,810	322,494	332,148
	<u>\$ 562,709</u>	<u>\$ 565,650</u>	<u>\$ 575,258</u>	<u>\$ 584,912</u>

The guaranteed investment certificates bear interest at 1.61% to 2.70% maturing between June 29, 2020 and March 11, 2022.

4. Contributions and benefits provided for faculty members

	2020	2019
YUFA Community Projects	\$ 100,000	\$ 100,000
Faculty Graduate Student Bistro	-	25,000
Advanced Credit Experience, annual grant	10,000	10,000
	<u>\$ 110,000</u>	<u>\$ 135,000</u>

To date the Trust has made contributions in the amount of \$2,837,080 to provide benefits on behalf of faculty members.

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5. Related party transaction

During the year \$4,000 (2019 - \$ 4,000) was contributed to Y.U.F.A. Foundation, and organization whereby, two of the trustees also act as a director of the Y.U.F.A. Foundation, and another is an officer of the York University Faculty Association.

6. Commitments

The Trust has made the following commitments:

YUFA Community Projects	\$	100,000
Advanced Credit Experience	\$	10,000

7. Financial risks

Credit risk

The carrying value of cash, accounts receivable, and accounts payable and accrued liabilities, approximates their fair market value due to the immediate or short-term maturity of these instruments. In management's opinion, the Trust is not exposed to any significant concentration of interest rate, credit or currency risk with respect to these financial instruments.

Liquidity risk

The Trust considers that it has sufficient credit facilities and investments to ensure that funds are available to meet its current and long-term financial needs.

Market risk

The Trust is exposed to market risk with respect to its investments.